

OFFICIAL GAZETTE

GOVERNMENT OF GOA, DAMAN AND DIU

GOVERNMENT OF GOA, DAMAN AND DIU

Rural Development Department

ORDER

2-18/74/FCS-CS

In exercise of the powers conferred by section 3 of the Essential Commodities Act, 1955 (10 of 1955), read with the Notification of the Government of India, Ministry of Agriculture, (Department of Food), New Delhi No. G.S.R. 316 (E), dated 20th June, 1972 and with the prior approval of Central Government, the Administrator of Goa, Daman and Diu hereby makes the following Order in supersession of the Goa, Daman and Diu Rice (Control on Prices, Regulation of Disposal and Acquisition) Order, 1965, namely:—

1. **Short title, extent and commencement.**— (1) This Order may be called the Goa, Daman and Diu Paddy Procurement Order, 1974.

(2) It extends to the whole of the Union territory of Goa, Daman and Diu.

(3) It shall come into force at once.

2. **Definitions.**— In this Order, unless the context otherwise requires;

(a) "Form" means a form set forth in the Schedule A of this Order;

(b) "paddy" means rice in husk and includes any varieties of paddy produced in or imported into this Union territory;

(c) "rice" means paddy without husk;

(d) "Specified Authority" means Director of Civil Supplies and any other person appointed by the Government or by the Director of Civil Supplies under this order;

(e) "Stock-holder" means a landlord or a person engaged in the production or the business of the purchase, sale or storage for sale of paddy whether or not such business is carried on in addition to any other business and includes also any person who has in his possession or control any stock of paddy exceeding one quintal.

Explanation.— Where the Government have reason to believe that any Miller or any other person engages himself in the business of buying or selling paddy, the Government may after holding such inquiry as it deem fit, declare him to be a stockholder.

(f) "Union territory" means Union territory of Goa, Daman and Diu.

3. **Maximum wholesale and retail prices of paddy/rice.**— The maximum wholesale and retail prices of paddy/rice shall be as fixed by the Government from time to time.

4. **Declaration of stocks of paddy and rice.**— Every stockholder shall within 48 hours of receipt of any stock of paddy or rice at any place of storage including a thrashing floor, furnish a correct statement thereof in writing in the form set forth in Schedule A to the specified authority.

Provided that, such declaration may be made orally to the specified authority, if the person concerned is illiterate but in that case such person shall put his/her thumb impression in the register kept for the purpose. Provided further that this paragraph shall not apply to stocks of paddy or rice received from or allotted by Government.

5. The Government or the specified authority may by notice given in writing direct that any person (or class of person) shall sell the whole or specified part of such stocks of paddy to the specified authority or to any other person named therein.

6. The Government or the specified authority shall specify in the notice:—

(a) The price at which the stocks of paddy/rice shall be sold;

(b) The person or class of persons to whom the stocks shall be delivered; and

(c) The date on or before which the delivery shall be made.

7. The Government or the specified authority may from time to time issue to stockholder or person in charge of a rice mill such direction regarding the maintenance of stock, storage, preservation, milling, movement and delivery of rice as it may deem fit.

8. The specified authority and any other officer authorised by Government in this behalf may seize any paddy whether discovered during the course of a search or otherwise, in respect of which he believes a contravention of the provisions of this order or any direction issued under it, has been/is being committed or is attempted to be committed.

9. **Disposal of stock of paddy.**— (a) No persons holding stock of paddy shall sell it or cause it to be sold except under and in accordance with permit issued in this behalf by the specified authority.

(b) **Movement of stock of paddy.**— No person holding stocks of paddy shall transport it from one

Taluka to the other except under and in accordance with a permit issued in this behalf by the Specified Authority.

Explanation.— This provision will not be applicable to the movement of rice without husk.

10. (a) The Director of Civil Supplies shall continue the paddy procurement as per this order both in Kharif and Rabi Season, every year.

(b) The target for Paddy Procurement shall be 6000 tonnes per year.

(c) Rent of Comunidades shall be recovered in kind that is paddy.

(d) The paddy procurement prices shall be intimated every year to Director of Civil Supplies as and when intimated by Government of India.

(e) A stock-holder shall be permitted to keep with himself 5% of the gross produce of Khasan and Khar lands and 8% of the Morod lands as his seed requirement for the next season. The cultivator shall be permitted to retain for the consumption of his family members paddy to the extent of 2½ quintals per head per year.

(f) The surplus, arrived after calculating the requirements of the cultivators as per (e) above, may be taken for procurement as per the following graduated levy table.

Surplus (Quantity)	Percentage of surplus to be taken for procurement
0-5	60%
5-10	70%
10-15	80%
15 and above	90%

11. **Contravention of the Order.**— If any stockholder or miller fails to comply with any provision of this order or any direction issued under clause 5 and 10 thereof, the specified authority, may enter upon the land or premises and take possession of the stocks in respect of which the provision or direction given was not fulfilled and cause compliance of such provision or direction.

12. **Power of entry, search etc.**— (1) The specified authority or any other officer authorised in this behalf may, with such assistance as he thinks fit, enter and search or authorise any person to enter, inspect or break open and search any place or premises, vehicles or vessels in which he has reasons to believe that any contravention of this order has been/is being or is about to be committed.

(2) Any court trying a contravention of any of the provisions of this order or direction given hereunder may, without prejudice to any other sentence it may pass, direct that any package, covering or receptacles in which stocks in respect of which the court is satisfied that the order or direction has been contravened, are found and the animals, vehicles, vessels and other conveyances used in carrying the said stocks, shall be forfeited, to the Government.

(3) The provision of Section 100 to the Code of Criminal Procedure, 1973 (5 of 1898) relating to search and seizure shall so far, as may be apply to searches and seizures under this clause.

By order and in the name of the Administrator of Goa, Daman and Diu.

Abel da Rosario, Under Secretary (Development).
Panaji, 17th October, 1974.

Finance (Revenue) Department

Notification

Fin(Rev)/2-35/Part/3/33/73(B)

In exercise of the powers conferred by Section 22 of Goa, Daman and Diu Excise Duty Act, 1964, the Government hereby makes the following amendments in the Goa, Daman and Diu Excise Duty Rules, 1964, namely:—

In rule 88A for sub-rule (1) the following shall be substituted, namely:—

“88A(1). No wholesale or retail vendor of liquor whose licensed premises are situated in Daman or Diu shall be entitled to a transport permit for transport of any kind of country liquor, except country liquor made from toddy or cashew juice, from Goa to Daman or Diu.

Provided that the country liquor made from toddy or cashew juice so transported shall not exceed such yearly quota as may be fixed, in respect of each wholesale or retail vendor, by the Commissioner with the previous approval of the Government after ascertaining the local requirements from the Collector, Daman or Civil Administrator Diu, as the case may be”.

By order and in the name of the Administrator of Goa, Daman and Diu.

S. S. Sukhatankar, Under Secretary (Finance).

Panaji, 21st October, 1974.

Notification

Fin(REV)/2-36/AR/16/74

In exercise of the powers conferred by section 36 of the Goa, Daman and Diu Sales Tax Act, 1964 (4 of 1964) and all other powers enabling it in that behalf, the Government of Goa, Daman and Diu hereby makes the following Rules so as to further amend the Goa, Daman and Diu Sales Tax Rules, 1964, namely:—

1. **Short title and commencement.**— (1) These Rules may be called the Goa, Daman and Diu Sales Tax (Twelfth Amendment) Rules, 1974.

(2) They shall come into force with effect from 1-11-1974.

2. **Amendment of Rule 32.**— In Rule 32 of the Goa, Daman and Diu Sales Tax Rules, 1964 (hereinafter called the “principal Rules”) for the words “order of assessment” the words “order of assessment or re-assessment” shall be substituted.

3. **Amendment of Rule 34.**— In clause (a) of sub-rule (1) of Rule 34 of the principal Rules, for the words “tax assessed” the words “tax assessed or re-assessed” shall be substituted.

4. **Amendment of Rule 34A.**— In Rule 34A of the Principal Rules, for the word “tax assessed” the words “tax assessed or re-assessed” shall be substituted.

5. Amendment of Rule 38.— For sub-rule (1) of Rule 38 of the Principal Rules, the following shall be substituted namely:—

“(1) The Provisions of rules 33 and 34 shall apply mutatis mutandis to every application for revision;

Provided that the provisions of clause (a) of sub-rule (1) of rule 34 shall not apply to an application for revision of any order other than an order of assessment or re-assessment, made under section 17 or section 18 and the appellate order made under section 27 of the Act as the case may be”.

6. Amendment of Rule 41.— For sub-rule (1) of Rule 41 of the Principal Rules, the following shall be substituted, namely:—

“(1) When any person appointed under section 3 or the Tribunal constituted under section 3A reviews any order under sub-section (4) of section 27, such person or the Tribunal, as the case may be, shall record reasons therefor”.

7. Amendment of Second Schedule.— In the Second Schedule appended to the principal Rules the heading of form S.T. XIX shall be substituted by the following, namely:—

“**Appeal against an order of assessment/re-assessment. Under Section 17/18, and/or penalty under the Goa, Daman and Diu (Sales Tax) Act, 1964.**

(See rule 33 of the Goa, Daman and Diu Sales Tax Rules, 1964)”.

By order and in the name of the Administrator of Goa, Daman and Diu.

S. S. Sukhthankar, Under Secretary (Finance).
Panaji, 22nd October, 1974.

Law and Judiciary Department

Notification

LD/4795/74

The following Central Act which was recently passed by the Parliament and assented to by the President of India is hereby published for general information of the public.

M. S. Borkar, Under Secretary (Law).
Panaji, 8th October, 1974.

The Constitution (Thirty-Fourth Amendment) Act, 1974

AN

ACT

further to amend the Constitution of India.

Be it enacted by Parliament in the Twenty-fifth Year of the Republic of India as follows:—

1. Short title.— This Act may be called the Constitution (Thirty-fourth Amendment) Act, 1974.

2. Amendment of Ninth Schedule.— In the Ninth Schedule to the Constitution, after entry 66 and before the *Explanation*, the following entries shall be inserted, namely:—

“67. The Andhra Pradesh Land Reforms (Ceiling on Agricultural Holdings) Act, 1973 (Andhra Pradesh Act 1 of 1973).

68. The Bihar Land Reforms (Fixation of Ceiling Area and Acquisition of Surplus Land) (Amendment) Act, 1972 (Bihar Act I of 1973).

69. The Bihar Land Reforms (Fixation of Ceiling Area and Acquisition of Surplus Land) (Amendment) Act, 1973 (Bihar Act IX of 1973).

70. The Bihar Land Reforms (Amendment) Act, 1972 Bihar Act V of 1972).

71. The Gujarat Agricultural Lands Ceiling Amendment) Act, 1972 (Gujarat Act 2 of 1974).

72. The Haryana Ceiling on Land Holdings Act, 1972 (Haryana Act 26 of 1972).

73. The Himachal Pradesh Ceiling on Land Holdings Act, 1972 (Himachal Pradesh Act 19 of 1973).

74. The Kerala Land Reforms (Amendment) Act, 1972 (Kerala Act 17 of 1972).

75. The Madhya Pradesh Ceiling on Agricultural Holdings (Amendment) Act, 1972 (Madhya Pradesh Act 12 of 1974).

76. The Madhya Pradesh Ceiling on Agricultural Holdings (Second Amendment) Act, 1972 (Madhya Pradesh Act 13 of 1974).

77. The Mysore Land Reforms (Amendment) Act, 1973 (Karnataka Act 1 of 1974).

78. The Punjab Land Reforms Act, 1972 (Punjab Act 10 of 1973).

79. The Rajasthan Imposition of Ceiling on Agricultural Holdings Act, 1973 (Rajasthan Act 11 of 1973).

80. The Gudalur Janmam Estates (Abolition and Conversion into Ryotwari) Act, 1969 (Tamil Nadu Act 24 of 1969).

81. The West Bengal Land Reforms (Amendment) Act, 1972 (West Bengal Act XII of 1972).

82. The West Bengal Estates Acquisition (Amendment) Act, 1964 (West Bengal Act XXII of 1964).

83. The West Bengal Estates Acquisition (Second Amendment) Act, 1973 (West Bengal Act XXXIII of 1973).

84. The Bombay Tenancy and Agricultural Lands (Gujarat Amendment) Act, 1972 (Gujarat Act 5 of 1973).

85. The Orissa Land Reforms (Amendment) Act, 1974 (Orissa Act 9 of 1974).

86. The Tripura Land Revenue and Land Reforms (Second Amendment) Act, 1974 (Tripura Act 7 of 1974).”.

Notification

LD/3376/74

The following Central Act which was recently passed by the Parliament and assented to by the President of India is hereby published for general information of the public.

M. S. Borkar, Under Secretary (Law).
Panaji, 10th July, 1974.

The Finance Act, 1974

ARRANGEMENT OF SECTIONS

CHAPTER I

Preliminary

Sections

1. Short title and commencement.

CHAPTER II

Rates of income-tax

2. Income-tax.

CHAPTER III

Direct taxes

Income-tax

3. Amendment of section 10.
4. Amendment of section 16.
5. Amendment of section 36.
6. Amendment of section 74A.
7. Amendment of section 80MM.
8. Amendment of section 80N.
9. Amendment of section 80O.
10. Amendment of section 139.
11. Amendment of section 209.
12. Amendment of Fourth Schedule.
13. Consequential amendments to certain sections.

Wealth-tax

14. Amendment of Act 27 of 1957.

Surtax

15. Amendment of Act 7 of 1964.

Miscellaneous

16. Continuance of development rebate in certain cases.
17. Amendment of sections 80N and 80O of the Income-tax Act as they stood during certain periods.

CHAPTER IV

Indirect taxes

18. Amendment of Act of 1934.
19. Auxiliary duties of customs.
20. Amendment of Act 1 of 1949.
21. Amendment of Act 1 of 1944.
22. Auxiliary duties of excise.
23. Amendment of Act 27 of 1958.
24. Discontinuance of Salt duty.

CHAPTER V

Miscellaneous

25. Amendment of Act 6 of 1898.
THE FIRST SCHEDULE.
THE SECOND SCHEDULE.
THE THIRD SCHEDULE.

The Finance Act, 1974

AN
ACT

to give effect to the financial proposals of the Central Government for the financial year 1974-75.

Be it enacted by Parliament in the Twenty-fifth Year of the Republic of India as follows:—

CHAPTER I

Preliminary

1. Short title and commencement. — (1) This Act may be called the Finance Act, 1974

(2) Save as otherwise provided in this Act, sections 2 to 17 shall be deemed to have come into force on the 1st day of April, 1974.

CHAPTER II

Rates of income-tax

2. Income-tax. — (1) Subject to the provisions of sub-sections (2), (3) and (4), for the assessment year commencing on the 1st day of April, 1974, income-tax shall be charged at the rates specified in Part I of the First Schedule and shall be increased,—

(a) in the cases to which Paragraphs A, B and D of that Part apply, by a surcharge for purposes of the Union;

(b) in the cases to which Paragraph C of that Part applies, by a surcharge for purposes of the Union and a special surcharge for purposes of the Union; and

(c) in the cases to which Paragraphs E and F of that Part apply, by a surcharge, calculated in each case in the manner provided therein.

(2) In the cases to which Sub-Paragraph I or Sub-Paragraph II of Paragraph A of Part I of the First Schedule applies, where the assessee has, in the previous year, any net agricultural income, in addition to total income, and the total income exceeds five thousand rupees, then,—

(a) the net agricultural income shall be taken into account, in the manner provided in clause (b) (that is to say, as if the net agricultural income were comprised in the total income after the first five thousand rupees of the total income but without being liable to tax), only for the purpose of charging income-tax in respect of the total income; and

(b) the income-tax chargeable shall be calculated as follows:—

(i) the total income and the net agricultural income shall be aggregated and the amount of income-tax shall be determined in respect of the aggregate income at the rates specified in Sub-Paragraph I or, as the case may be, Sub-Paragraph II of the said Paragraph A, as if such aggregate income were the total income;

(ii) the net agricultural income shall be increased by a sum of five thousand rupees and the amount of income-tax shall be determined in respect of the net agricultural income as so increased at the rates specified in Sub-Paragraph I or, as the case may be, Sub-Paragraph II of the said Paragraph A, as if the net agricultural income as so increased were the total income;

(iii), the amount by which income-tax determined in accordance with sub-clause (i) exceeds the amount of income-tax determined in accordance with sub-clause (ii) shall be the income-tax chargeable in respect of the total income:

Provided that in cases where Sub-Paragraph I of the said Paragraph A applies, —

(4) where the aggregate income referred to in sub-clause (i) exceeds fifteen thousand rupees but does not exceed fifteen thousand one hundred and eighty rupees, the provisions of that Sub-Paragraph relating to surcharge on

income-tax shall, for the purposes of determining the amount of income-tax under sub-clause (ii), apply subject to the modifications that such surcharge shall be calculated at the rate arrived at by dividing the amount of surcharge on income-tax calculated in respect of the aggregate income by the amount of income-tax (excluding surcharge) calculated in respect of the aggregate income and that the provisions of the proviso at the end of that Sub-Paragraph shall not apply;

(B) where the aggregate income referred to in sub-clause (i) exceeds fifteen thousand one hundred and eighty rupees, the provisions of that Sub-Paragraph relating to surcharge on income-tax shall, for the purposes of determining the amount of income-tax under sub-clause (ii), apply subject to the modifications that such surcharge shall be calculated at the rate of fifteen per cent. and that the provisions of the proviso at the end of that Sub-Paragraph shall not apply.

(3) Where in the case of a company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956, the total income includes any profits and gains from life insurance business, the income-tax payable by it shall be the aggregate of the income-tax calculated—

(i) on the amount of profits and gains from life insurance business so included, at the rate applicable in the case of the Life Insurance Corporation of India, in accordance with Paragraph E of Part I of the First Schedule, to that part of its total income which consists of profits and gains from life insurance business; and

(ii) on the remaining part of its total income, at the rate applicable to the company on its total income.

(4) In cases to which Chapter XII or section 164 of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act) applies, the tax chargeable shall be determined as provided in that Chapter or that section, and with reference to the rates imposed by sub-section (1) or the rates as specified in that Chapter or section, as the case may be.

(5) In cases in which tax has to be deducted under sections 193, 194, 194A, 194B, 194D and 195 of the Income-tax Act at the rates in force, the deduction shall be made at the rates specified in Part II of the First Schedule.

(6) Subject to the provisions of sub-section (7), in cases in which income-tax has to be calculated under the first proviso to sub-section (5) of section 132 of the Income-tax Act or charged under sub-section (4) of section 172 or sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 of the said Act or deducted under section 192 of the said Act from income chargeable under the head "Salaries" or deducted under sub-section (9) of section 80E of the said Act from any payment referred to in the said sub-section (9) or in which the "advance tax" payable under Chapter XVII-C of the said Act has to be computed, at the rate or

rates in force, such income-tax or, as the case may be, "advance tax" shall be so calculated, charged, deducted or computed at the rate or rates specified in Part III of the First Schedule:

Provided that in respect of any income chargeable to tax under section 164 of the Income-tax Act at the rate of sixty-five per cent., "advance tax" shall be computed at that rate.

(7) In the cases to which Sub-Paragraph I or Sub-Paragraph II of Paragraph A of Part III of the First Schedule applies, where the assessee has, in the previous year or, if by virtue of any provision of the Income-tax Act income-tax is to be charged in respect of the income of a period other than the previous year, in such other period, any net agricultural income, in addition to total income, and the total income exceeds six thousand rupees, then, in calculating income-tax under the first proviso to sub-section (5) of section 132 of the Income-tax Act or in charging income-tax under sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 of the said Act or in computing the "advance tax" payable under Chapter XVII-C of the said Act, at the rate or rates in force, —

(a) the net agricultural income shall be taken into account, in the manner provided in clause (b) (that is to say, as if the net agricultural income were comprised in the total income after the first six thousand rupees of the total income but without being liable to tax), only for the purpose of calculating, charging or computing such income-tax or, as the case may be, "advance tax" in respect of the total income; and

(b) such income-tax or, as the case may be, "advance tax" shall be so calculated, charged or computed as follows:—

(i) the total income and the net agricultural income shall be aggregated and the amount of income-tax or "advance tax" shall be determined in respect of the aggregate income at the rates specified in Sub-Paragraph I or, as the case may be, Sub-Paragraph II of the said Paragraph A, as if such aggregate income were the total income;

(ii) the net agricultural income shall be increased by a sum of six thousand rupees and the amount of income-tax or "advance tax" shall be determined in respect of the net agricultural income as so increased at the rates specified in Sub-Paragraph I or, as the case may be, Sub-Paragraph II of the said Paragraph A, as if the net agricultural income as so increased were the total income;

(iii) the amount by which income-tax or, as the case may be, "advance tax" determined in accordance with sub-clause (i) exceeds the amount of income-tax or "advance tax" determined in accordance with sub-clause (ii) shall be the income-tax or "advance tax" in respect of the total income.

(8) For the purposes of this section and the First Schedule,—

(a) "company in which the public are substantially interested" means a company which is such a company as is referred to in section 108 of the Income-tax Act;

(b) "domestic company" means an Indian company, or any other company which, in respect of

its income liable to income-tax under the Income-tax Act for the assessment year commencing on the 1st day of April, 1974, has made the prescribed arrangements for the declaration and payment within India of the dividends (including dividends on preference shares) payable out of such income in accordance with the provisions of section 194 of that Act;

(c) "industrial company" means a company which is mainly engaged in the business of generation or distribution of electricity or any other form of power or in the construction of ships or in the manufacture or processing of goods or in mining.

Explanation. — For the purposes of this clause, a company shall be deemed to be mainly engaged in the business of generation or distribution of electricity or any other form of power or in the construction of ships or in the manufacture or processing of goods or in mining, if the income attributable to any one or more of the aforesaid activities included in its total income of the previous year (as computed before making any deduction under Chapter VIA of the Income-tax Act) is not less than fifty-one per cent. of such total income;

(d) "insurance commission" means any remuneration or reward, whether by way of commission or otherwise, for soliciting or procuring insurance business (including business relating to the continuance, renewal or revival of policies of insurance);

(e) "net agricultural income", in relation to a person, means the total amount of agricultural income, from whatever source derived, of that person computed in accordance with the rules contained in Part IV of the First Schedule;

(f) "tax-free security" means any security of the Central Government issued or declared to be income-tax free, or any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government;

(g) all other words and expressions used in this section or in section 16 or in the First Schedule but not defined in this sub-section and defined in the Income-tax Act shall have the meanings, respectively, assigned to them in that Act.

CHAPTER III

Direct taxes

Income-tax

3. Amendment of section 10. — In section 10 of the Income-tax Act, —

(a) in clause (10), —

(i) after the words "revised Pension Rules of the Central Government", the words, brackets and figures "or, as the case may be, the Central Civil Services (Pension) Rules, 1972" shall be inserted and shall be deemed to have been inserted with effect from the 1st day of June, 1972;

(ii) for the words "or under any similar scheme of a State Government or a local authority", the following shall be substituted and shall

be deemed always to have been substituted, namely: —

"or under any similar scheme applicable to the members of the civil services of the Union or holders of posts connected with defence or of civil posts under the Union (such members or holders being persons not governed by the said Rules) or to the members of the all-India services or to the members of the civil services of a State or holders of civil posts under a State or to the employees of a local authority";

(b) for clause (10) as so amended, the following clause shall be substituted with effect from the 1st day of April, 1975, namely: —

'(10) (i) any death-cum-retirement gratuity received under the revised Pension Rules of the Central Government or, as the case may be, the Central Civil Services (Pension) Rules, 1972, or under any similar scheme applicable to the members of the civil services of the Union or holders of posts connected with defence or of civil posts under the Union (such members or holders being persons not governed by the said Rules) or to the members of the all-India services or to the members of the civil services of a State or holders of civil posts under a State or to the employees of a local authority or any payment of retiring gratuity received under the Pension Code or Regulations applicable to the members of the defence services;

(ii) any gratuity received under the Payment of Gratuity Act, 1972, 39 of 1972 to the extent it does not exceed an amount calculated in accordance with the provisions of sub-sections (2) and (3) of section 4 of that Act;

(iii) any other gratuity received by an employee on his retirement or on his becoming incapacitated prior to such retirement or on termination of his employment, or any gratuity received by his widow, children or dependants on his death, to the extent it does not, in either case, exceed one-half month's salary for each year of completed service, calculated on the basis of the average salary for the three years immediately preceding the year in which the gratuity is paid, subject to a maximum of thirty thousand rupees or twenty month's salary so calculated whichever is less:

Provided that where any gratuities referred to in this clause are received by an employee from more than one employer in the same previous year, the aggregate amount exempt from income-tax under this clause shall not exceed thirty thousand rupees:

Provided further that where any such gratuity or gratuities was or were received in any one or more earlier previous years also and the whole or any part of the amount of such gratuity or gratuities was not included in the total income of the assessee of such previous year or years, the amount exempt from income-tax under this clause shall not exceed thirty thousand rupees as reduced by the amount or, as the case may be, the aggregate amount not included in the total income of any such previous year or years.

Explanation. — In this clause, "salary" shall have the meaning assigned to it in clause (h) of rule 2 of Part A of the Fourth Schedule;";

(c) in clause (10A), in sub-clause (i), for the words "or under any similar scheme applicable to the members of the Defence Services or to the employees of a State Government, a local authority", the following shall be substituted and shall be deemed always to have been substituted, namely:—

"or under any similar scheme applicable to the members of the civil services of the Union or holders of posts connected with defence or of civil posts under the Union (such members or holders being persons not governed by the said Rules) or to the members of the all-India services or to the members of the defence services or to the members of the civil services of a State or holders of civil posts under a State or to the employees of a local authority";

(d) after clause (23A), the following clause shall be inserted with effect from the 1st day of June, 1974, namely:—

'(23B) any income of an institution constituted as a public charitable trust or registered under the Societies Registration Act, 1860, or under any law corresponding to that Act in force in any part of India, and existing solely for the development of khadi or village industries or both, and not for purposes of profit, to the extent such income is attributable to the business of production, sale, or marketing, of khadi or products of village industries: 21 of 1860

Provided that —

(i) the institution applies its income, or accumulates it for application, solely for the development of khadi or village industries or both; and

(ii) the institution is, for the time being, approved for the purpose of this clause by the Khadi and Village Industries Commission:

Provided further that the Commission shall not, at any one time, grant such approval for more than three assessment years beginning with the assessment year next following the financial year in which it is granted.

Explanation.—For the purposes of this clause,—

(i) "Khadi and Village Industries Commission" means the Khadi and Village Industries Commission established under the Khadi and Village Industries Commission Act, 1956; 61 of 1956

(ii) "khadi" and "village industries" have the meanings respectively assigned to them in that Act;.

4. Amendment of section 16.—In section 16 of the Income-tax Act, with effect from the 1st day of April, 1975,—

(a) for clause (i), the following clause shall be substituted, namely:—

"(i) in respect of expenditure incidental to the employment of the assessee, a sum calculated on the basis provided hereunder, namely:—

(a) where the salary 20 per cent. of derived from such such salary; employment does not exceed Rs.10,000

(b) where the salary Rs. 2,000 plus 10 per cent. of the amount by which such salary exceeds Rs. 10,000

or
Rs. 3,500,
whichever is less:

Provided that—

(i) where the assessee is in receipt of a conveyance allowance from his employer; or

(ii) where any motor car, motor cycle, scooter or other moped is provided to the assessee by his employer for use by the assessee, otherwise than wholly and exclusively in the performance of his duties; or

(iii) where one or more motor cars are owned or hired by the employer of the assessee and the assessee is allowed the use of such motor car or all or any of such motor cars, otherwise than wholly and exclusively in the performance of his duties,

the deduction under this clause shall not exceed one thousand rupees;";

(b) clauses (iii), (iv) and (v) shall be omitted.

5. Amendment of section 36.—In section 36 of the Income-tax Act, in clause (viii) of sub-section (1), with effect from the 1st day of April, 1975,—

(a) for the portion beginning with the words "an amount not exceeding—" and ending with the words "ten per cent.", the following shall be substituted, namely:—

"an amount not exceeding—

(a) in the case of a Financial Corporation or a Joint Financial Corporation established under the State Financial Corporations Act, 1951, or an institution deemed under section 46 of that Act to be a Financial Corporation established by the State Government for the State within the meaning of that Act, forty per cent., 63 of 1951

(b) in the case of any other financial corporation,—

(i) where the paid-up share capital of the corporation does not exceed three crores of rupees, twenty-five per cent.,

(ii) where the paid-up share capital of the corporation exceeds three crores of rupees, ten per cent.,";

(b) the *Explanation* shall be omitted.

6. Amendment of section 74A.—In section 74A of the Income-tax Act, with effect from the 1st day of April, 1975,—

(a) in sub-section (1), for the words "except against income, if any, from the same source", the words "against income, if any, from any other source under that head or against income under any other head" shall be substituted;

(b) after sub-section (2), the following sub-section shall be inserted, namely:—

'(3) Where for any assessment year, in the case of an assessee, being the owner of horses

maintained by him for running in horse races (such horses being hereafter in this sub-section referred to as race horses), the net result of the computation in respect of the source specified in clause (c) of sub-section (2) is a loss, then, so much of the amount of such loss as does not exceed the amount of loss incurred by the assessee in the activity of owning and maintaining race horses shall, subject to the other provisions of this Chapter, be carried forward to the following assessment year and —

(a) it shall be set off against the income, if any, from the source specified in clause (c) of sub-section (2) assessable for that assessment year:

Provided that the activity of owning and maintaining race horses is carried on by him in the previous year relevant for that assessment year; and

(b) if the loss cannot be wholly so set off, the amount of loss not so set off shall be carried forward to the following assessment year and so on; so, however, that no portion of the loss shall be carried forward for more than four assessment years immediately succeeding the assessment year for which the loss was first computed.

Explanation. — For the purposes of this sub-section —

(a) “amount of loss incurred by the assessee in the activity of owning and maintaining race horses” means —

(i) in a case where the assessee has no income by way of stake money, the amount of expenditure (not being in the nature of capital expenditure) laid out or expended by him wholly and exclusively for the purposes of maintaining the race horses;

(ii) in a case where the assessee has income by way of stake money, the amount by which such income falls short of the amount of expenditure (not being in the nature of capital expenditure) laid out or expended by the assessee wholly and exclusively for the purposes of maintaining race horses;

(b) “horse race” means a horse race upon which wagering or betting may be lawfully made;

(c) “income by way of stake money” means the gross amount of prize money received on a race horse or race horses by the owner thereof on account of the horse or horses or any one or more of the horses winning or being placed second or in any lower position in horse races.’

7. Amendment of section 80MM.—In section 80MM of the Income-tax Act, with effect from the 1st day of April, 1975, —

(a) in sub-section (1), the words and brackets “or a person (other than a company) who is resident in India” shall be omitted;

(b) sub-section (2A) shall be omitted.

8. Amendment of section 80N.—In section 80N of the Income-tax Act, —

(a) the words and brackets “or a person (other than a company) who is resident in India” shall be omitted with effect from the 1st day of April, 1975;

(b) for the words “is included in the gross total income of the assessee, there shall be allowed a deduction of the whole of such income,” the words “included in the gross total income of the assessee is received in convertible foreign exchange in India, or having been received in convertible foreign exchange outside India, or having been converted into convertible foreign exchange outside India, is brought into India, by or on behalf of the assessee in accordance with any law for the time being in force for regulating payments and dealings in foreign exchange, there shall be allowed a deduction of the whole of the income so received in, or brought into, India,” shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 1969;

(c) the following *Explanation* shall be inserted, and shall be deemed to have been inserted, at the end, with effect from the 1st day of April, 1969, namely: —

Explanation. — For the purposes of this section, —

(i) “convertible foreign exchange” means foreign exchange which is for the time being treated by the Reserve Bank of India as convertible foreign exchange for the purposes of the law for the time in force for regulating payments and dealing in foreign exchange;

(ii) any income used by the assessee outside India in the manner permitted by the Reserve Bank of India shall be deemed to have been brought into India in accordance with the law for the time being in force for regulating payments and dealings in foreign exchange, on the date on which such permission is given.’

9. Amendment of section 80O.—In section 80O of the Income-tax Act, —

(a) in sub-section (1), —

(i) for the words “there shall be allowed, in accordance with and subject to the provisions of this section, a deduction of the whole of such income”, the words “and such income is received in convertible foreign exchange in India, or having been received in convertible foreign exchange outside India, or having been converted into convertible foreign exchange outside India, is brought into India, by or on behalf of the assessee in accordance with any law for the time being in force for regulating payments and dealings exchange, there shall be allowed, in accordance with and subject to the provisions of this section, a deduction of the whole of the income so received in, or brought into, India” shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 1972;

(ii) the following *Explanation* shall be inserted and shall be deemed to have been inserted at the end, with effect from the 1st day of April, 1972, namely: —

Explanation. — The provisions of the *Explanation* to section 80N shall apply for the

purposes of this section as they apply for the purposes of that section.”;

(b) in sub-section (1) as so amended, for the brackets, figure and words “(1) Where the gross total income of an assessee, being an Indian company or a person (other than a company) who is resident in India,” the words “Where the gross total income of an assessee, being an Indian company,” shall be substituted with effect from the 1st day of April, 1975;

(c) sub-section (2) shall be omitted with effect from the 1st day of April, 1975.

10. Amendment of section 139.—In section 139 of the Income-tax Act, with effect from the 1st day of April, 1975,—

(a) after sub-section (1), the following sub-section shall be inserted, namely:—

“(1A) Notwithstanding anything contained in sub-section (1), no person need furnish under that sub-section a return of his income or the income of any other person in respect of whose total income he is assessable under this Act, if his income or, as the case may be, the income of such other person during the previous year consisted only of income chargeable under the head “Salaries” or of income chargeable under that head and also income of the nature referred to in any one or more of clauses (i) to (ix) of sub-section (1) of section 80L and the following conditions are fulfilled, namely:—

(a) where he or such other person was employed during the previous year by a company, he or such other person was at no time during the previous year a director of the company or a beneficial owner of shares in the company (not being shares entitled to a fixed rate of dividend whether with or without a right to participate in profits) carrying not less than twenty per cent. of the voting power;

(b) his salary or the salary of such other person, exclusive of the value of all benefits or amenities not provided for by way of monetary payment, does not exceed eighteen thousand rupees;

(c) the amount of income of the nature referred to in clauses (i) to (ix) of sub-section (1) of section 80L, if any, does not, in the aggregate, exceed three thousand rupees; and

(d) the tax deductible at source under section 192 from the income chargeable under the head “Salaries” has been deducted from that income.

Explanation.—For the purposes of this sub-section, “salary” shall have the meaning assigned to it in clause (1) of section 17.”;

(b) in sub-section (3), after the word and figures “section 74”, the words, brackets, figures and letter “or sub-section (3) of section 74A” shall be inserted.

11. Amendment of section 209.—In the Income-tax Act, section 209 shall be re-numbered as sub-section (1) thereof and—

(a) in sub-section (1) as so re-numbered, for the words “The amount of advance tax payable

by an assessee in the financial year shall be computed as follows:—”, the words, brackets and figures “The amount of advance tax payable by an assessee in the financial year shall, subject to the provisions of sub-section (2) and (3), be computed as follows:—” shall be substituted;

(b) after sub-section (1) as so re-numbered, the following sub-sections shall be inserted, namely:—

“(2) Where the Finance Act of the relevant year provides that, in the case of any class of assessee, net agricultural income (as defined in that Act) shall be taken into account for the purposes of computing advance tax, then, the net agricultural income to be taken into account in the case of any assessee falling in that class, shall be—

(a) in cases where the Income-tax Officer makes an order under sub-section (1) or sub-section (3) of section 210,—

(i) if the total income of the latest previous year in respect of which the assessee has been assessed by way of regular assessment forms the basis of computation of advance tax payable by him, the net agricultural income which has been taken into account for the purposes of charging income-tax for the assessment year relevant to that previous year; or

(ii) if the total income of the previous year on the basis of which tax has been paid by the assessee under section 140A forms the basis of computation of advance tax, the net agricultural income as returned by the assessee in the return of income for the assessment year relevant to that previous year;

(b) in cases where an estimate is sent by the assessee under sub-section (1) or sub-section (2) or sub-section (3) or sub-section (3A) of section 212, the net agricultural income, as estimated by him, of the period which would be the previous year for the immediately following assessment year.

(3) Where the Finance Act of the relevant year specifies any separate rate or rates for the purposes of computing advance tax in the case of every Hindu undivided family which has at least one member whose total income of the previous year exceeds the maximum amount not chargeable to income-tax in his case, then, the Income-tax Officer shall, for making an order under section 210 in the case of any such Hindu undivided family, compute (subject to the provisions of section 164) the advance tax at such rate or rates—

(a) in a case where the total income of the latest previous year in respect of which the Hindu undivided family has been assessed by way of regular assessment forms the basis of computation of advance tax, if the total income of any member of the family for the assessment year relevant to such latest previous year exceeds the maximum amount not chargeable to income-tax in his case;

(b) in a case where the total income of the previous year on the basis of which tax has been paid by the Hindu undivided family under

section 140A forms the basis of computation of advance tax, if the total income of any member of the family for the assessment year relevant to such previous year exceeds the maximum amount not chargeable to income-tax in his case."

12. Amendment of Fourth Schedule.—In the Fourth Schedule to the Income-tax Act, in Part A, —

(a) in sub-rule (3) of rule 5, after clause (b), the following clause shall be inserted, namely:—

"(c) the fund may also consist of any amount transferred from the individual account of an employee in any recognised provident fund maintained by his former employer and the interest in respect thereof;"

(b) in rule 8, with effect from the 1st day of April, 1975, —

(i) in clause (ii), the word "or" shall be inserted at the end;

(ii) after clause (ii), the following clause and

Explanation shall be inserted, namely:—

"(iii) if, on the cessation of his employment, the employee obtains employment with any other employer, to the extent the accumulated balance due and becoming payable to him is transferred to his individual account in any recognised provident fund maintained by such other employer.

Explanation.—Where the accumulated balance due and becoming payable to an employee participating in a recognised provident fund maintained by his employer includes any amount transferred from his individual account in any other recognised provident fund or funds maintained by his former employer or employers, then, in computing the period of continuous service for the purposes of clause (i) or clause (ii) the period or periods for which such employee rendered continuous service under his former employer or employers aforesaid shall be included."

13. Consequential amendments to certain sections.

(1) The following amendment (being an amendment of a consequential nature) shall be made in the Income-tax Act, namely:—

In section 155, after sub-section (10), the following sub-sections shall be inserted, namely:—

"(11) Where in the assessment for any year, the deduction under section 80N in respect of any income, being the whole or any part of income by way of dividends as is referred to in that section, has not been allowed on the ground that such income has not been received in convertible foreign exchange in India, or having been received in convertible foreign exchange outside India, or having been converted into convertible foreign exchange outside India, has not been brought into India, by or on behalf of the assessee in accordance with any law for the time being in force for regulating payments and dealings in foreign exchange and subsequently such income or part thereof is received in, or brought into, India in the manner aforesaid, the Income-tax Officer shall amend the order of

assessment so as to allow deduction under section 80N in respect of such income or part thereof as is so received in, or brought into, India and the provisions of section 154 shall, so far as may be, apply thereto, the period of four years specified in sub-section (7) of that section being reckoned from the date on which such income is so received in, or brought into, India.

(12) Where in the assessment for any year, the deduction under section 80O in respect of any income, being the whole or any part of income by way of royalty, commission, fees or any similar payment as is referred to in that section, has not been allowed on the ground that such income has not been received in convertible foreign exchange in India, or having been received in convertible foreign exchange outside India, or having been converted into convertible foreign exchange outside India, has not been brought into India, by or on behalf of the assessee in accordance with any law for the time being in force for regulating payments and dealings in foreign exchange and subsequently such income or part thereof is received in, or brought into, India in the manner aforesaid, the Income-tax Officer shall amend the order of assessment so as to allow deduction under section 80O in respect of such income or part thereof as is so received in, or brought into, India and the provisions of section 154 shall, so far as may be, apply thereto, the period of four years specified in sub-section (7) of that section being reckoned from the date on which such income is so received in, or brought into, India."

(2) The following amendments (being amendments of a consequential nature) shall be made in the Income-tax Act with effect from the 1st day of April, 1975, namely:—

(i) in sub-section (2) of section 75, for the words, brackets and figures "or sub-section (1) of section 74", the words, brackets, figures and letter "sub-section (1) of section 74 or sub-section (3) of section 74A" shall be substituted;

(ii) in clause (b) of sub-section (2) of section 77, after the word and figures "section 74", the words, brackets, figures and letter "or sub-section (3) of section 74A" shall be inserted;

(iii) in section 80, after the word and figures "section 74", the words, brackets, figures and letter "or sub-section (3) of section 74A" shall be inserted;

(iv) in sub-section (3) of section 80A, the words, figures and letters "or section 80MM or section 80N or section 80O" shall be omitted;

(v) in clause (iv) of sub-section (2) of section 141A, after the word and figures "section 74", the words, brackets, figures and letter "or sub-section (3) of section 74A" shall be inserted;

(vi) in sub-clause (iv) of clause (b) of sub-section (1) of section 143, after the word and figures "section 74", the words, brackets, figures and letter "or sub-section (3) of section 74A" shall be inserted;

(vii) in sub-section (4) of section 155, after the word and figures "section 74", the words, brackets, figures and letter "or sub-section (3) of section 74A" shall be inserted;

(viii) in section 157, for the words, brackets and figures "or sub-section (1) of section 74", at both

the places where they occur, the words, brackets, figures and letter "sub-section (1) of section 74 or sub-section (3) of section 74A" shall be substituted.

Wealth-tax

14. Amendment of Act 27 of 1957.—In the Wealth-tax Act, 1957, with effect from the 1st day of April, 1975,—

(1) in clause (e) of section 2,—

(a) in item (ii) of sub-clause (2), for the words "any annuity", the words and brackets "any annuity (not being any annuity purchased by the assessee or purchased by any other person in pursuance of a contract with the assessee)" shall be substituted;

(b) in the proviso, for the words, brackets and figures "items (i) to (iii)", the word, brackets and figure "item (i)" and for the words, brackets and figures "items (i) to (v)", the words, brackets and figures "items (i) to (iii)" shall be substituted;

(2) in section 5,—

(a) in sub-section (1),—

(i) for clause (iva), the following clause shall be substituted, namely:—

"(iva) agricultural land belonging to the assessee;"

(ii) in clause (ivb), in the proviso, for the words "as dwelling house, store house or outhouse", the words "as store house or for keeping livestock" shall be substituted;

(iii) in clause (vi), the following proviso shall be inserted at the end, namely:—

"Provided that in the case of a policy of insurance the premium or other payment whereon is payable during a period of less than ten years, the amount that shall not be included in the net wealth of the assessee under this clause shall be a sum that bears to the value of the right or interest of the assessee in the policy the same proportion as the number of years during which the premium or other payment on the policy is payable bears to ten;"

(b) in sub-section (1A), for the word, brackets and figures "clauses (xv)", the word, brackets, figures and letter "clauses (iva), (xv)", shall be substituted;

(3) in the Schedule, in Paragraph A of Part I, for items (1) and (1A), the following items shall be substituted, namely:—

"(1) In the case of every individual or Hindu undivided family, not being a Hindu undivided family to which item (1A) of this Paragraph applies—

Rate of tax

- | | |
|---|--|
| (a) where the net wealth does not exceed Rs. 5,00,000 | 1 per cent. of the net wealth; |
| (b) where the net wealth exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 | Rs. 5,000 plus 3 per cent. of the amount by which the net wealth exceeds Rs. 5,00,000; |

(c) where the net wealth exceeds Rs. 10,00,000 but does not exceed Rs. 15,00,000

Rs. 20,000 plus 4 per cent. of the amount by which the net wealth exceeds Rs. 10,00,000;

(d) where the net wealth exceeds Rs. 15,00,000

Rs. 40,000 plus 8 per cent. of the amount by which the net wealth exceeds Rs. 15,00,000:

Provided that for the purposes of this item,—

(i) no wealth-tax shall be payable where the net wealth does not exceed the following limit, namely:—

(A) Rs. 1,00,000, in the case of an individual;

(B) Rs. 2,00,000, in the case of a Hindu undivided family;

(ii) the wealth-tax payable shall, in no case, exceed 10 per cent. of the amount by which the net wealth exceeds the limit specified in sub-clause (A) or, as the case may be, sub-clause (B) of clause (i) of this proviso.

(1A) In the case of every Hindu undivided family which has at least one member whose net wealth assessable for the assessment year exceeds Rs. 1,00,000—

Rate of tax

- | | |
|---|--|
| (a) where the net wealth does not exceed Rs. 5,00,000 | 3 per cent. of the net wealth; |
| (b) where the net wealth exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 | Rs. 15,000 plus 4 per cent. of the amount by which the net wealth exceeds Rs. 5,00,000; |
| (c) where the net wealth exceeds Rs. 10,00,000 | Rs. 35,000 plus 8 per cent. of the amount by which the net wealth exceeds Rs. 10,00,000: |

Provided that for the purposes of this item,—

(i) no wealth-tax shall be payable where the net wealth does not exceed Rs. 2,00,000;

(ii) the wealth-tax payable shall, in no case, exceed 10 per cent. of the amount by which the net wealth exceeds Rs. 2,00,000."

Surtax

15. Amendment of Act 7 of 1964.—In the Companies (Profits) Surtax Act, 1964, in the Third Schedule, with effect from the 1st day of April, 1975,—

(a) for the figures and words "30 per cent.", the figures and words "40 per cent." shall be substituted;

(b) the following proviso shall be inserted at the end, namely:—

"Provided that where in the case of an Indian company or a company which has made the prescribed arrangements for the declaration payment of dividends within India—

(i) which is such a company as is referred to in section 108 of the Income-tax Act, and

(ii) whose paid-up share capital (subscribed and paid for in cash) as on the last day of the previous year, is not less than twenty-five per cent. of the amount of the capital as computed under the Second Schedule to this Act,

the aggregate of —

(a) the amount of income-tax payable by the company in respect of its total income of the previous year under the provisions of the Income-tax Act after making allowance for any relief, rebate or deduction in respect of income-tax to which the company is entitled under the provisions of the said Act or the annual Finance Act; and

(b) the amount of surtax computed in accordance with the foregoing provisions of this Schedule,

exceeds the amount calculated at seventy per cent. of the total income of the company, the amount of such excess shall be deducted from the amount of surtax referred to in clause (b) above and the balance shall be the amount of the surtax payable by the company.”

16. Continuance of development rebate in certain cases. — The notification of the Government of India in the Ministry of Finance (Department of Revenue and Insurance) No. S. O. 2167, dated the 28th day of May, 1971, issued under sub-section (5) of section 33 of the Income-tax Act shall not apply in respect of —

(a) any ship acquired after the 31st day of May, 1974 but before the 1st day of June, 1975 by any assessee, if the assessee furnishes evidence to the satisfaction of the Income-tax Officer that he had, before the 1st day of December, 1973, entered into a contract for the purchase of such ship with the builder or owner thereof;

(b) any machinery or plant, being coal-fired equipment, or any machinery or plant for converting oil-fired equipment into coal-fired equipment, installed by any assessee after the 31st day of May, 1974 but before the 1st day of June, 1977.

Explanation. — In this clause, “equipment” means a boiler, furnace, kiln, oven or the like;

(c) any machinery or plant [not being machinery or plant referred to in clause (b)] installed by any assessee after the 31st day of May, 1974 but before the 1st day of June, 1975, if the assessee furnishes evidence to the satisfaction of the Income-tax Officer that before the 1st day of December, 1973 he had purchased such machinery or plant or had entered into a contract for the purchase of such machinery or plant with the manufacturer or owner of, or a dealer in, such machinery or plant, or had, where such machinery or plant has been manufactured in an undertaking owned by the assessee, taken steps for the manufacture of such machinery or plant,

and accordingly the provisions of the Income-tax Act shall have effect in relation to such ship, machinery or plant, subject to the conditions specified in clauses (a), (b) and (c).

17. Amendment of sections 80N and 80O of the Income-tax Act as they stood during certain periods.

— The provisions of section 80N of the Income-tax Act, as they stood immediately before the 1st day of April, 1969, and the provisions of section 80O of that Act, as they stood from time to time before the 1st day of April, 1972, shall have and shall be deemed to have had effect subject to the modification that the deduction under the said provisions shall be allowed only with reference to the income referred to therein which is received in convertible foreign exchange in India, or having been received in convertible foreign exchange outside India, or having been converted into convertible foreign exchange outside India, is brought into India, by or on behalf of the assessee in accordance with any law for the time being in force for regulating payments and dealings in foreign exchange.

Explanation. — For the purposes of this section, —

(i) “convertible foreign exchange” means foreign exchange which is for the time being treated by the Reserve Bank of India as convertible foreign exchange for the purposes of the law for the time being in force for regulating payments and dealings in foreign exchange;

(ii) any income used by the assessee outside India in the manner permitted by the Reserve Bank of India shall be deemed to have been brought into India in accordance with the law for the time being in force for regulating payments and dealings in foreign exchange, on the date on which such permission is given.

CHAPTER IV

Indirect taxes

18. Amendment of Act 32 of 1934. — In the Indian Tariff Act, 1934 (hereinafter referred to as the Tariff Act, —

(a) in section 3, after sub-section (3), the following sub-sections shall be inserted, namely:—

“(4) Notwithstanding anything contained in sub-section (1), where the Central Government is satisfied that in the interests of trade including promotion of exports, it is necessary to take immediate action for discontinuing the preferential rate, or increasing the preferential rate to a rate not exceeding the standard rate, or decreasing the preferential rate, in respect of an article specified in the First Schedule, the Central Government may, by notification in the Official Gazette, direct an amendment of the said Schedule to be made so as to provide for such discontinuance of, or increase or decrease, as the case may be, in, the preferential rate.

(5) Every notification issued under sub-section (4) shall, as soon as may be after it is issued, be laid before each House of Parliament.”;

(b) in the First Schedule, in Item No. 22(4), for the entry in the fourth column against sub-item (a), the entry “Rs. 80.00 per litre or 270 per cent. *ad valorem*, whichever is higher.” shall be substituted.

19. Auxiliary duties of customs. — (1) In the case of goods mentioned in the First Schedule to the Tariff Act, or in that Schedule as amended from time to time, there shall be levied and collected as an auxiliary duty of customs an

amount equal to twenty per cent. of the value of the goods as determined in accordance with the provisions of section 14 of the Customs Act, 1962 (hereinafter referred to as the Customs Act). 52 of 1962

(2) Sub-section (1) shall cease to have effect after the 31st day of March, 1975, except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897, shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act. 10 of 1897

(3) The auxiliary duties of customs referred to in sub-section (1) shall be in addition to any duties of customs chargeable on such goods under the Customs Act, or any other law for the time being in force.

(4) The provisions of the Customs Act, and the rules and regulations made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and collection of the auxiliary duties of customs leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of customs on such goods under that Act or those rules and regulations, as the case may be.

20. Amendment of Act 1 of 1949. — In the Indian Tariff (Amendment) Act, 1949, in sections 4 and 5, for the figures "1974", the figures "1975" shall be substituted.

21. Amendment of Act 1 of 1944. — The Central Excises and Salt Act, 1944 (hereinafter referred to as the Central Excises Act) shall be amended in the manner specified in the Second Schedule.

22. Auxiliary duties of excise. — (1) In the case of goods mentioned in the First Schedule to the Central Excises Act, or in that Schedule as amended from time to time, there shall be levied and collected as an auxiliary duty of excise an amount equal to twenty per cent. of the value of the goods as determined in accordance with the provisions of section 4 of the Central Excises Act.

(2) Sub-section (1) shall cease to have effect after the 31st day of March, 1975, except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897, shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act. 10 of 1897

(3) The auxiliary duties of excise referred to in sub-section (1) shall be in addition to any duties of excise chargeable on such goods under the Central Excises Act, or any other law for the time being in force.

(4) The auxiliary duties of excise referred to in sub-section (1) shall be levied for the purposes of the Union and the proceeds thereof shall not be distributed among the States.

(5) The provisions of the Central Excises Act and the rules made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and

collection of the auxiliary duties of excise leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of excise on such goods under that Act or those rules, as the case may be.

23. Amendment of Act 27 of 1958. — The Mineral Products (Additional Duties of Excise and Customs) Act, 1958 (hereinafter referred to as the Mineral Products Act) shall be amended in the manner specified in the Third Schedule.

24. Discontinuance of salt duty. — For the year beginning on the 1st day of April, 1974, no duty under the Central Excises Act or the Tariff Act shall be levied in respect of salt manufactured in, or imported into, India.

CHAPTER V

Miscellaneous

25. Amendment of Act 6 of 1898. — In the First Schedule to the Indian Post Office Act, 1898,—

(a) for the sub-headings "*Letters*", "*Letter-cards*" and "*Post cards*" and the entries under those sub-headings, the following shall be substituted, namely:—

"*Letters*"

For a weight not exceeding fifteen grams 25 Paise

For every fifteen grams, or fraction thereof, exceeding fifteen grams 15 Paise

Letter-cards

For a letter-card 20 Paise

Post cards

Single 15 Paise

Reply 30 Paise";

(b) for the sub-heading "*Parcels*" and the entries thereunder, the following shall be substituted, namely:—

"*Parcels*"

For a weight not exceeding five hundred grams One rupee and fifty paise

For every five hundred grams, or fraction thereof, exceeding five hundred grams One rupee and fifty paise".

THE FIRST SCHEDULE

(See section 2)

PART I

Income-Tax and Surcharges on Income-Tax

Paragraph A

Sub-Paragraph I

In the case of every individual or Hindu undivided family or unregistered firm or other association of persons or body

of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which Sub-Paragraph II of this Paragraph or any other Paragraph of this Part applies, —

Rates of Income-Tax

(1) where the total income does not exceed Rs. 5,000	Nil;
(2) where the total income exceeds Rs. 5,000 but does not exceed Rs. 10,000	10 per cent. of the amount by which the total income exceeds Rs. 5,000;
(3) where the total income exceeds Rs. 10,000 but does not exceed Rs. 15,000	Rs. 500 plus 17 per cent. of the amount by which the total income exceeds Rs. 10,000;
(4) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000	Rs. 1,350 plus 23 per cent. of the amount by which the total income exceeds Rs. 15,000;
(5) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000	Rs. 2,500 plus 30 per cent. of the amount by which the total income exceeds Rs. 20,000;
(6) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000	Rs. 4,000 plus 40 per cent. of the amount by which the total income exceeds Rs. 25,000;
(7) where the total income exceeds Rs. 30,000 but does not exceed Rs. 40,000	Rs. 6,000 plus 50 per cent. of the amount by which the total income exceeds Rs. 30,000;
(8) where the total income exceeds Rs. 40,000 but does not exceed Rs. 60,000	Rs. 11,000 plus 60 per cent. of the amount by which the total income exceeds Rs. 40,000;
(9) where the total income exceeds Rs. 60,000 but does not exceed Rs. 80,000	Rs. 23,000 plus 70 per cent. of the amount by which the total income exceeds Rs. 60,000;
(10) where the total income exceeds Rs. 80,000 but does not exceed Rs. 1,00,000	Rs. 37,000 plus 75 per cent. of the amount by which the total income exceeds Rs. 80,000;
(11) where the total income exceeds Rs. 1,00,000 but does not exceed Rs. 2,00,000	Rs. 52,000 plus 80 per cent. of the amount by which the total income exceeds Rs. 1,00,000;
(12) where the total income exceeds Rs. 2,00,000	Rs. 1,32,000 plus 85 per cent. of the amount by which the total income exceeds Rs. 2,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the following rates, namely: —

(a) in a case where the total income does not exceed Rs. 15,000 10 per cent.;

(b) in any other case 15 per cent.:

Provided that the amount of surcharge payable shall, in no case, exceed the aggregate of the following sums, namely: —

(i) an amount calculated at the rate of 10 per cent. on the amount of income-tax on an income of Rs. 15,000, if such income had been the total income (the income of Rs. 15,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the person concerned); and

(ii) 40 per cent. of the amount by which the total income exceeds Rs. 15,000.

Sub-Paragraph II

In the case of every Hindu undivided family which at any time during the previous year has at least one member whose total income of the previous year relevant to the assessment year commencing on the 1st day of April, 1974 exceeds Rs. 5,000, —

Rates of income-tax

(1) where the total income does not exceed Rs. 5,000 Nil;

(2) where the total income exceeds Rs. 5,000 but does not exceed Rs. 10,000—

(3) where the total income exceeds Rs. 10,000 but does not exceed Rs. 15,000

(4) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000

(5) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000

(6) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000

(7) where the total income exceeds Rs. 30,000 but does not exceed Rs. 40,000

(8) where the total income exceeds Rs. 40,000 but does not exceed Rs. 60,000

(9) where the total income exceeds Rs. 60,000 but does not exceed Rs. 80,000

(10) where the total income exceeds Rs. 80,000 but does not exceed Rs. 1,00,000

(11) where the total income exceeds Rs. 1,00,000

17 per cent. of the amount by which the total income exceeds Rs. 5,000;

Rs. 850 plus 23 per cent. of the amount by which the total income exceeds Rs. 10,000;

Rs. 2,000 plus 30 per cent. of the amount by which the total income exceeds Rs. 15,000;

Rs. 3,500 plus 40 per cent. of the amount by which the total income exceeds Rs. 20,000;

Rs. 5,500 plus 50 per cent. of the amount by which the total income exceeds Rs. 25,000;

Rs. 8,000 plus 60 per cent. of the amount by which the total income exceeds Rs. 30,000;

Rs. 14,000 plus 70 per cent. of the amount by which the total income exceeds Rs. 40,000;

Rs. 28,000 plus 75 per cent. of the amount by which the total income exceeds Rs. 60,000;

Rs. 43,000 plus 80 per cent. of the amount by which the total income exceeds Rs. 80,000;

Rs. 59,000 plus 85 per cent. of the amount by which the total income exceeds Rs. 1,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of fifteen per cent. of such income-tax.

Paragraph B

In the case of every co-operative society, —

Rates of income-tax

(1) where the total income does not exceed Rs. 10,000 15 per cent. of the total income;

(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000 Rs. 1,500 plus 25 per cent. of the amount by which the total income exceeds Rs. 10,000;

(3) where the total income exceeds Rs. 20,000 Rs. 4,000 plus 40 per cent. of the amount by which the total income exceeds Rs. 20,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of fifteen per cent. of such income-tax.

Paragraph C

In the case of every registered firm, —

Rates of income-tax

(1) where the total income does not exceed Rs. 10,000 Nil;

(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 25,000 4 per cent. of the amount by which the total income exceeds Rs. 10,000;

(3) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000 Rs. 600 plus 6 per cent. of the amount by which the total income exceeds Rs. 25,000;

(4) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000 Rs. 2,100 plus 12 per cent. of the amount by which the total income exceeds Rs. 50,000;

- (5) where the total income exceeds Rs. 1,00,000 Rs. 8,100 plus 20 per cent. of the amount by which the total income exceeds Rs. 1,00,000.

Surcharges on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by the aggregate of surcharges for purposes of the Union calculated as specified hereunder:—

(a) in the case of a registered firm whose total income includes income derived from a profession carried on by it and the income so included is not less than fifty-one per cent. of such total income, a surcharge calculated at the rate of ten per cent. of the amount of income-tax computed at the rate hereinbefore specified;

(b) in the case of any other registered firm, a surcharge calculated at the rate of twenty per cent. of the amount of income-tax computed at the rate hereinbefore specified; and

(c) a special surcharge calculated at the rate of fifteen per cent. on the aggregate of the following amounts, namely:—

(i) the amount of income-tax computed at the rate hereinbefore specified; and

(ii) the amount of the surcharge calculated in accordance with clause (a) or, as the case may be, clause (b).

Explanation.—For the purposes of this Paragraph, «registered firm» includes an unregistered firm assessed as a registered firm under clause (b) of section 183 of the Income-tax Act.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income 50 per cent.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union calculated at the rate of fifteen per cent. of such income-tax.

Paragraph E

In the case of the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956,— 31 of 1956

Rates of income-tax

(i) on that part of its total income which consists of profits and gains from life insurance business 52.5 per cent;

(ii) on the balance, if any, of the total income the rate of income-tax applicable, in accordance with Paragraph F of this Part, to the total income of a domestic company which is a company in which the public are substantially interested.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge calculated at the rate of five per cent. of such income-tax.

Paragraph F

In the case of a company, other than the Life Insurance Corporation of India established under Life Insurance Corporation Act, 1956,— 31 of 1956

Rates of income-tax

I. In the case of a domestic company,—

(1) where the company is a company in which the public are substantially interested,—

(i) in a case where the total income does not exceed Rs. 1,00,000 45 per cent. of the total income;

(ii) in a case where the total income exceeds Rs. 1,00,000 55 per cent. of the total income;

(2) where the company is not a company in which the public are substantially interested,—

(i) in the case of an industrial company—

(a) on so much of the total income as does not exceed Rs. 2,00,000 55 per cent.;

(b) on the balance, if any, of the total income 60 per cent.;

(ii) In any other case 65 per cent. of the total income;

Provided that the income-tax payable by a domestic company, being a company in which the public are substantially interested, the total income of which exceeds Rs. 1,00,000, shall not exceed the aggregate of—

(a) the income-tax which would have been payable by the company if its total income had been Rs. 1,00,000 (the income of Rs. 1,00,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and

(b) eighty per cent of the amount by which its total income exceeds Rs. 1,00,000.

II. In the case of a company other than a domestic company—

(i) on so much of the total income as consists of—

(a) royalties received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 31st day of March, 1961, or

(b) fees for rendering technical services received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964,

and where such agreement has, in either case, been approved by the Central Government

(ii) on the balance, if any, of the total income 70 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge calculated at the rate of five per cent. of such income-tax.

PART II

Rates for deduction of tax at source in certain cases

In every case in which under the provisions of sections 193, 194, 194A, 194B, 194D and 195 of the Income-tax Act, tax is to be deducted at the rates in force, deduction shall be made from the income subject to deduction, at the following rates:—

	Income-Tax	
	Rate of income-tax	Rate of surcharge

1. In the case of a person other than a company—

(a) where the person is resident—

(i) on income by way of interest other than "Interest on securities" 10 per cent.

Nil;

	Income-tax	
	Rate of income-tax	Rate of surcharge
(ii) on income by way of winnings from lotteries and crossword puzzles	30 per cent.	3 per cent.;
(iii) on income by way of insurance commission	10 per cent.	Nil;
(iv) on any other income (excluding interest payable on a tax-free security)	21 per cent.	2 per cent.;
(b) where the person is not resident in India—		
(i) on the whole income (excluding interest payable on a tax-free security)	income-tax at 30 per cent. and surcharge a 3 per cent. of the amount of the income.	
	or	
	income-tax and surcharge on income-tax in respect of the income at the rates prescribed in Sub-Paragraph I of Paragraph A of Part III of this Schedule, if such income had been the total income.	
	whichever is higher;	
(ii) on income by way of interest payable on a tax-free security	15 per cent.	1.5 per cent.;
2. In the case of a company—		
(a) where the company is a domestic company—		
(i) on income by way of interest other than "Interest on securities"	20 per cent.	1 per cent.;
(ii) on any other income (excluding interest payable on a tax-free security)	22 per cent.	1 per cent.;
(b) where the company is not a domestic company—		
(i) on income by way of dividends payable by any domestic company	24.5 per cent.	1.225 per cent.;
(ii) on income by way of royalties payable by an Indian concern in pursuance of an agreement made by it with the Indian concern after the 31st day of March, 1961, and which has been approved by the Central Government	50 per cent.	2.5 per cent.;
(iii) on income by way of fees payable by an Indian concern for rendering technical services in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964, and which has been approved by the Central Government	50 per cent.	2.5 per cent.;
(iv) on income by way of interest payable on a tax-free security	44 per cent.	2.2 per cent.;
(v) on any other income	70 per cent.	3.5 per cent.

PART III

Rates for calculating or charging income-tax in certain cases, deducting income-tax from income chargeable under the head «Salaries» or any payment referred to in sub-section (9) of section 80E and computing «advance tax».

In cases in which income-tax has to be calculated under the first proviso to sub-section (5) of section 132 of the Income-tax Act or charged under sub-section (4) of sec-

tion 172 or sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 of the said Act or deducted under section 192 of the said Act from income chargeable under the head «Salaries» or deducted under sub-section (9) of section 80E of the said Act from any payment referred to in the said sub-section (9) or in which the «advance tax» payable under Chapter XVII-C of the said Act has to be computed, at the rate or rates in force, such income tax» or, as the case may be, «advance tax» (not being «advance tax» in respect of any income chargeable to tax under section 164 of the Income-tax Act at the rate of sixty-five per cent.) shall be so calculated, charged, deducted or computed at the following rate or rates:—

Paragraph A

Sub-Paragraph I

In the case of every individual or Hindu undivided family or unregistered firm or other association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which Sub-Paragraph II of this Paragraph or any other Paragraph of this Part applies,—

Rates of income-tax

(1) where the total income does not exceed Rs. 6,000	Nil;
(2) where the total income exceeds Rs. 6,000 but does not exceed Rs. 10,000	12 per cent. of the amount by which the total income exceeds Rs. 6,000;
(3) where the total income exceeds Rs. 10,000 but does not exceed Rs. 15,000	Rs. 480 plus 15 per cent. of the amount by which the total income exceeds Rs. 10,000;
(4) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000	Rs. 1,230 plus 20 per cent. of the amount by which the total income exceeds Rs. 15,000;
(5) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000	Rs. 2,230 plus 30 per cent. of the amount by which the total income exceeds Rs. 20,000;
(6) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000	Rs. 3,730 plus 40 per cent. of the amount by which the total income exceeds Rs. 25,000;
(7) where the total income exceeds Rs. 30,000 but does not exceed Rs. 70,000	Rs. 5,730 plus 50 per cent. of the amount by which the total income exceeds Rs. 30,000;
(8) where the total income exceeds Rs. 50,000 but does not exceed Rs. 70,000	Rs. 15,730 plus 60 per cent. of the amount by which the total income exceeds Rs. 50,000;
(9) where the total income exceed Rs. 70,000	Rs. 27,730 plus 70 per cent. of the amount by which the total income exceeds Rs. 70,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Sub-Paragraph II

In the case of every Hindu undivided family which at any time during the previous year has at least one member whose total income of the previous year relevant to the assessment year commencing on the 1st day of April, 1975 exceeds Rs. 6,000,—

Rates of income-tax

(1) where the total income does not exceed Rs. 6,000	Nil;
(2) where the total income exceeds Rs. 6,000 but does not exceed Rs. 10,000	15 per cent. of the amount by which the total income exceeds Rs. 6,000;

(3) where the total income exceeds Rs. 10,000 but does not exceed Rs. 15,000	Rs. 600 plus 20 per cent. of the amount by which the total income exceeds Rs. 10,000;
(4) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000	Rs. 1,600 plus 30 per cent. of the amount by which the total income exceeds Rs. 15,000;
(5) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000	Rs. 3,100 plus 40 per cent. of the amount by which the total income exceeds Rs. 20,000;
(6) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000	Rs. 5,100 plus 50 per cent. of the amount by which the total income exceeds Rs. 25,000;
(7) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000	Rs. 7,600 plus 60 per cent. of the amount by which the total income exceeds Rs. 30,000;
(8) where the total income exceeds Rs. 50,000	Rs. 19,600 plus 70 per cent. of the amount by which the total income exceeds Rs. 50,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

(1) where the total income does not exceed Rs. 10,000	15 per cent. of the total income;
(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000	Rs. 1,500 plus 25 per cent. of the amount by which the total income exceeds Rs. 10,000;
(3) where the total income exceeds Rs. 20,000	Rs. 4,000 plus 40 per cent. of the amount by which the total income exceeds Rs. 20,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Paragraph C

Sub-Paragraph I

In the case of every registered firm, not being a case to which Sub-Paragraph II of this Paragraph applies,—

Rates of income-tax

(1) where the total income does not exceed Rs. 10,000	Nil;
(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 25,000	5 per cent. of the amount by which the total income exceeds Rs. 10,000;
(3) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000	Rs. 750 plus 7 per cent. of the amount by which the total income exceeds Rs. 25,000;
(4) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000	Rs. 2,500 plus 15 per cent. of the amount by which the total income exceeds Rs. 50,000;
(5) where the total income exceeds Rs. 1,00,000	Rs. 10,000 plus 24 per cent. of the amount by which the total income exceeds Rs. 1,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be

increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Sub-Paragraph II

In the case of every registered firm whose total income includes income derived from a profession carried on by it and the income so included is not less than fifty-one per cent. of such total income,—

Rates of income-tax

(1) where the total income does not exceed Rs. 10,000	Nil;
(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 25,000	4 per cent. of the amount by which the total income exceeds Rs. 10,000;
(3) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000	Rs. 600 plus 7 per cent. of the amount by which the total income exceeds Rs. 25,000;
(4) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000	Rs. 2,350 plus 13 per cent. of the amount by which the total income exceeds Rs. 50,000;
(5) where the total income exceeds Rs. 1,00,000	Rs. 8,850 plus 22 per cent. of the amount by which the total income exceeds Rs. 1,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Explanation.—For the purposes of this Paragraph, «registered firm» includes an unregistered firm assessed as a registered firm under clause (b) of section 183 of the Income-tax Act.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income 50 per cent.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Paragraph E

In the case of the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956,— 31 of 1956.

Rates of income-tax

(i) on that part of its total income which consists of profits and gains from life insurance business	52.5 per cent;
(ii) on the balance, if any, of the total income	the rate of income-tax applicable, in accordance with Paragraph F of this Part, to the total income of a domestic company which is a company in which the public are substantially interested.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge calculated at the rate of five per cent. of such income-tax.

Paragraph F

In the case of a company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956,— 31 of 1956.

Rates of income-tax

I. In the case of a domestic company,—

(1) where the company is a company in which the public are substantially interested,—

(i) in a case where the total income does not exceed Rs. 1,00,000 45 per cent. of the total income;

(ii) in a case where the total income exceeds Rs. 1,00,000 55 per cent. of the total income;

(2) where the company is not a company in which the public are substantially interested,—

(i) in the case of an industrial company—

(a) on so much of the total income as does not exceed Rs. 2,00,000 55 per cent.;

(b) on the balance, if any, of the total income 60 per cent.;

(ii) in any other case 65 per cent. of the total income;

Provided that the income-tax payable by a domestic company, being a company in which the public are substantially interested, the total income of which exceeds Rs. 1,00,000, shall not exceed the aggregate of—

(a) the income-tax which would have been payable by the company if its total income had been Rs. 1,00,000 (the income of Rs. 1,00,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and

(b) eighty per cent. of the amount by which its total income exceeds Rs. 1,00,000.

II. In the case of a company other than a domestic company—

(i) on so much of the total income as consists of—

(a) royalties received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 31st day of March, 1961, or

(b) fees for rendering technical services received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964,

and where such agreement has, in either case, been approved by the Central Government 50 per cent.;

(ii) on the balance, if any, of the total income 70 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge calculated at the rate of five per cent. of such income-tax.

PART IV

[See section 2 (8) (e)]

Rules for computation of net agricultural income

Rule 1.—Agricultural income of the nature referred to in sub-clause (a) of clause (1) of section 2 of the Income-tax Act shall be computed as if it were income chargeable to income-tax under that Act under the head «Income from other sources» and the provisions of sections 57 to 59 of that Act shall, so far as may be, apply accordingly:

Provided that sub-section (2) of section 58 shall apply subject to the modification that the reference to section 40A therein shall be construed as not including a reference to sub-sections (3) and (4) of section 40A.

Rule 2.—Agricultural income of the nature referred to in sub-clause (b) or sub-clause (c) of clause (1) of section 2 of the Income-tax Act [other than income derived from any building required as a dwelling house by the receiver of the rent or revenue or the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c)] shall be computed as if it were income chargeable to income-tax under that Act under the head «Profits and gains of business or profession» and the provisions of sections 30, 31, 32, 34, 36, 37, 38, 40, 40A [other than sub-sections (3) and (4) thereof], 41, 43 and 43A of the Income-tax Act shall, so far as may be, apply accordingly.

Rule 3.—Agricultural income of the nature referred to in sub-clause (c) of clause (1) of section 2 of the Income-tax Act, being income derived from any building required as a dwelling house by the receiver of the rent or revenue or the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c) shall be computed as if it were income chargeable to income-tax under that Act under the head «Income from house property» and the provisions of sections 23 to 27 of that Act shall, so far as may be, apply accordingly:

Provided that sub-section (2) of the said section 23 shall apply subject to the modification that the references to «total income» therein shall be construed as references to net agricultural income and that the words, figures and letter «and before making any deduction under Chapter VIA» shall be omitted.

Rule 4.—Notwithstanding anything contained in any other provisions of these rules, in a case where the assessee derives income from sale of tea grown and manufactured by him in India, such income shall be computed in accordance with rule 8 of the Income-tax Rules, 1962, and sixty per cent. of such income shall be regarded as the agricultural income of the assessee.

Rule 5.—Where the assessee is a partner of a registered firm or an unregistered firm assessed as a registered firm under clause (b) of section 183 of the Income-tax Act, which in the previous year has any agricultural income, or is a partner of an unregistered firm which has not been assessed as a registered firm under clause (b) of the said section 183 and which in the previous year has either no income chargeable to tax under the Income-tax Act or has total income not exceeding the maximum amount not chargeable to tax in the case of an unregistered firm but has any agricultural income, then, the agricultural income or loss of the firm shall be computed in accordance with these rules and his share in the agricultural income or loss of the firm shall be computed in the manner laid down in sub-section (1), sub-section (2) and sub-section (3) of section 67 of the Income-tax Act and the share so computed shall be regarded as the agricultural income or loss of the assessee.

Rule 6.—Where the assessee is a member of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) which in the previous year has either no income chargeable to tax under the Income-tax Act or has total income not exceeding the maximum amount not chargeable to tax in the case of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) but has any agricultural income, then, the agricultural income or loss of the association or body shall be computed in accordance with these rules and the share of the assessee in the agricultural income or loss so computed shall be regarded as the agricultural income or loss of the assessee.

Rule 7.—Where the result of the computation for the previous year in respect of any source of agricultural income is a loss, such loss shall be set off against the income of the assessee, if any, for that previous year from any other source of agricultural income:

Provided that where the assessee is a partner of an unregistered firm which has not been assessed as a registered firm under clause (b) of section 183 of the Income-tax Act or is a member of an association of persons or body of individuals and the share of the assessee in the agricultural income of the firm, association or body, as the case may be, is a loss, such loss shall not be set off against any income of the assessee from any other source of agricultural income.

Rule 8.— Any sum payable by the assessee on account of any tax levied by the State Government on the agricultural income shall be deducted in computing the agricultural income.

Rule 9.— (1) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 1975 or, if by virtue of any provision of the Income-tax Act, income-tax is to be charged in respect of the income of a period other than that previous year, in such other period, any agricultural income and the net result of the computation of the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 1974 is a loss, then, for the purposes of sub-section (7) of section 2 of this Act, the loss so computed shall be set off against the agricultural income of the assessee for the previous year first mentioned or the period aforesaid.

(2) Where a change has occurred in the constitution of a firm, nothing in sub-rule (1) shall entitle the firm to set off so much of the loss proportionate to the share of a retired or deceased partner computed in the manner laid down in sub-section (1), sub-section (2) and sub-section (3) of section 67 as exceeds his share of profits, if any, of the previous year in the firm, or entitle any partner to the benefit of any portion of the said loss (computed in the manner aforesaid) which is not apportionable to him.

(3) Where any person deriving any agricultural income from any source has been succeeded in such capacity by another person, otherwise than by inheritance, nothing in sub-rule (1) shall entitle any person other than the person incurring the loss to have it set off under that sub-rule.

(4) Notwithstanding anything contained in this rule, no loss which has not been determined by the Income-tax Officer under the provisions of these rules shall be set off under sub-rule (1).

Rule 10.— Where the net result of the computation made in accordance with these rules is a loss, the loss so computed shall be ignored and the net agricultural income shall be deemed to be nil.

Rule 11.— The provisions of the Income-tax Act relating to procedure for assessment (including the provisions of section 288A relating to rounding off of income) shall, with the necessary modifications, apply in relation to the computation of the net agricultural income of the assessee as they apply in relation to the assessment of the total income.

Rule 12.— For the purposes of computing the net agricultural income of the assessee, the Income-tax Officer shall have the same powers as he has under the Income-tax Act for the purposes of assessment of the total income.

THE SECOND SCHEDULE

(See section 21)

PART I

In the First Schedule to the Central Excises Act,—

(i) in Item No. 1A, for the entry in the third column against each of the sub-items (1) and (4), the entry «Ten per cent. *ad valorem*.» shall be substituted;

(ii) in Item No. 11A, for the entry in the third column against each of the sub-items (1) and (3), the entry «Twenty per cent. *ad valorem* plus four hundred rupees per metric tonne.» shall be substituted;

(iii) in Item No. 15AA, for the entry in the third column, the entry «Fifteen per cent. *ad valorem*.» shall be substituted;

(iv) in Item No. 17,—

(a) in sub-item (2), after the words «cartridge paper», the words «Waxed paper, polyethylene coated paper,» shall be inserted;

(b) for the entries in the third column against sub-items (1), (2), (3) and (4), the entries «Three rupees per kilogram.», «One rupee and twenty paise per kilogram.», «Sixty paise per kilogram.» and «One rupee and twenty paise per kilogram.» shall, respectively, be substituted;

(v) in Item No. 23A, for the entry in the third column against each of the sub-items (1) and (4), the entry «Twenty-five per cent. *ad valorem*.» shall be substituted;

(vi) in Item No. 23B, for the entries in the third column against sub-items (1), (2) and (3), the entries «Twenty-five per cent. *ad valorem*.», «Thirty per cent. *ad valorem*.» and «Thirty per cent. *ad valorem*.» shall, respectively, be substituted;

(vii) in Item No. 29A, for the entries in the third column against sub-items (1), (2) and (3), the entries «Seventy-five per cent. *ad valorem*.», «Seventy-five per cent. *ad valorem*.» and «One hundred per cent. *ad valorem*.» shall, respectively, be substituted;

(viii) in Item No. 31, for the entry in the third column against sub-item (1), the entry «Twenty-five per cent. *ad valorem*.» shall be substituted;

(ix) in Item No. 33D, for the entry in the third column, the entry «Fifteen per cent. *ad valorem*.» shall be substituted;

(x) in Item No. 34, for the entries in the third column against sub-items (1), (2), (3) and (4), the entries «Ten per cent. *ad valorem*.», «Twenty-five per cent. *ad valorem*.», «Forty per cent. *ad valorem*.» and «Fifteen per cent. *ad valorem*.» shall, respectively, be substituted;

(xi) in each of the Items Nos. 46, 49, 50 and 51, for the entry in the third column, the entry «Fifteen per cent. *ad valorem*.» shall be substituted.

PART II

Item No.	Description of goods	Rate of duty
(1)	(2)	(3)

In the First Schedule to the Central Excises Act,—

(i) after Item No. 14F, the following Item shall be inserted namely:—

«14FF TOOTH-PASTE (INCLUDING DENTAL CREAM). Ten per cent. *ad valorem*.»;

(ii) after Item No. 28, the following Item shall be inserted namely:—

«28A ELECTRICAL STAMPINGS AND LAMINATIONS, ALL SORTS. Ten per cent. *ad valorem*.»;

(iii) after Item No. 37A, the following Item shall be inserted namely:—

«37AA TAPE RECORDERS (INCLUDING CASSETTE RECORDERS). Rupees two hundred and fifty each.»;

(iv) for Item No. 37C, the following Item shall be inserted namely:—

«37C PHOTOGRAPHIC APPARATUS AND GOODS. THE FOLLOWING, NAMELY:—

- | | |
|---|--|
| (1) Photographic cameras. | Twenty per cent. <i>ad valorem</i> . |
| (2) Sensitised papers (including Diazotype papers) and sensitised paper boards. | The duty for the time being leviable on the base paper or paper board, as the case may be, if not already paid, plus ten per cent. <i>ad valorem</i> .»; |

(v) after Item No. 51, the following Item shall be inserted namely:—

«51A CUTTING TOOLS, THE FOLLOWING, NAMELY:— Ten per cent. *ad valorem*.»;

- (1) Files and rasps
- (2) Hacksaw blades
- (3) Twist drills
- (4) Reamers
- (5) Milling cutters

Item No.	Description of goods	Rate of duty
(1)	(2)	(3)
(vi) the following Item shall be inserted at the end, namely:—		
66	PERMANENT MAGNETS	Fifty per cent. <i>ad valorem</i> .;
	<i>Explanation.</i> —The expression «permanent magnet» shall include any piece of hard steel, special alloy or other material, recognisable by its composition and shape, as being intended to become permanent magnet after magnetising.	

THE THIRD SCHEDULE

(See section 23)

In the Table annexed to sub-section (1) of section 3 of the Mineral Products Act, —

(i) for the entry in the second column against Item 3, the entry «Two thousand rupees per kilolitre at fifteen degrees of Centigrade thermometer», shall be substituted;

(ii) for the entry in the second column against Item 7, the entry «Two thousand rupees per metric tonne.» shall be substituted.

Notification

LD/4902/74

The following notifications received from the Government of India, Ministry of Labour, New Delhi, is hereby published for general information of the public.

M. S. Borkar, Under Secretary (Law).

Panaji, 17th October, 1974.

GOVERNMENT OF INDIA

(BHARAT SARKAR)

MINISTRY OF LABOUR

(SHRAM MANTRALAYA)

Notification

Dated New Delhi-110001 the 26th Sept. 1974

G. S. R. — In exercise of the powers conferred by Clause (b) of sub-section (3) of Section 1 of the

Employees' Provident Funds and Family Pension Fund Act, 1952 (19 of 1952) the Central Government hereby specifies every establishment engaged in sorting, cleaning and teasing of cotton waste industry, employing 20 or more persons as the class of establishments to which the said Act shall apply with effect from the 30th September, 1974.

[No. 4/6/67-PF.II(i).]

Sd/-

R. P. NARULA
Under Secretary

Notification

Dated New Delhi, 110001, 19/9/74

S. O. — In exercise of the powers conferred by Section 8 of the Minimum Wages Act, 1948 (11 of 1948), read with rule 3 of the Minimum Wages (Central Advisory Board) Rules, 1949, the Central Government hereby makes the following further amendments in the notification of the Government of India in the late Ministry of Labour and Rehabilitation (Department of Labour and Employment) No. S. O. 2373 dated the 19th June, 1972, namely:—

In the said notification, under the heading "Independent Persons", —

(a) for items 7 and 8 and the entries relating thereto, the following shall respectively be substituted, namely:—

"7. The Chairman of the Advisory Board, Government of Orissa, Bhubaneshwar,

8. The Labour Commissioner, Punjab, Chandigarh";

(b) for item 11 and the entries relating thereto, the following shall be substituted, namely:—

"11. The Secretary to the Government of Tripura, Department of Labour, Agartala".

Sd/-

HANS RAJ CHHABRA

Deputy Secretary

[S-32023(2)/72-WE(MW)]

GOVT. PRINTING PRESS — GOA

(Imprensa Nacional — Goa)

PRICE — Rs. 2-05 Ps.